



Press release

Companies not forecasting the hidden costs of weather

26 November 2001

UK firms face a bill for more than £7.6 billion a year because they have their heads in the clouds over the effects of weather on their business, new research reveals.

And the study shows that while over 95 per cent of those questioned admit they've lost up to 10 per cent of their profits in the last year alone due to unexpected weather, only a quarter say they occasionally take the weather into account when planning ahead.

An independent study into the impact of the weather on British business, commissioned by the Met Office, reveals that UK companies lose thousands of pounds a year because of the vagaries of the weather in terms of late or absent staff, delayed deliveries, surplus or insufficient stock and cancellation of projects.

But while three-quarters of those asked agreed that the changeable British climate affects the nation's industry and commerce, 47 per cent think their own business isn't sensitive to the weather. Only 17 per cent take weather into account as a vital part of their business planning.

The Met Office study also found:

- staff being late or absent due to the weather cost British businesses over £2 billion in the last year alone;
- costs incurred due to missed deadlines topped £1.9 billion to those businesses affected;
- financial penalties incurred from hitches due to the weather cost British companies about £270 million in the last 12 months;
- the bill for unplanned-for overtime due to the weather came to nearly £650 million;
- nearly half of those questioned think they can't do anything to avoid losing money due to the weather;
- British businesses lose the equivalent of an average of 11.54 days trading each year due to the weather - this affects small and medium-sized companies more than large businesses;
- the retail sector is most affected with the equivalent of an average of 18.95 days trading being lost. Eleven per cent of retailers have lost over 90 days per year;
- over half of companies have been affected by the weather through staff problems and delays in delivery times for stocks and materials;
- one in eight of those questioned have considered moving their business abroad because of the weather;
- one in five British firms have had to cancel projects due to weather conditions;
- nearly 20 per cent have been caught short with surplus or insufficient stocks to cope with changes in demand due to the weather.

Met Office, Commercial Division, Managing Director Stephen Lawrenson, said it was worrying that companies aren't facing facts about the hidden impact of weather on their prosperity.

He said: "Despite increasing concerns about climate change, there's a lack of awareness of how the weather can affect business on a fundamental level. Businesses need to be aware of the costly ramifications of not taking the weather into account.

"Even the more weather-savvy leisure sector hasn't got it absolutely right. Only 12 per cent say that weather is a vital part of business planning, but they're the sector with the most projects being cancelled due to unplanned for weather - and they're also the most likely to incur financial penalties as a result.

"We need to make businesses aware that weather planning can be much more than just forecasting rain for Thursday week. We already provide consultancy to many companies, including top brands, and can offer different levels of service, from weather derivatives via [weatherXchange.com](#) to monthly forecasting products. Our customers see us as a key partner and appreciate that managing the weather and business success increasingly go hand in hand."

The independent research covered a sample of 500 British businesses - covering sectors from retail and leisure to manufacturing and finance.

For details of the full range of Met Office services see the [services for business](#) page.

Notes:

- The survey was carried out among UK businesses by a registered market research company, Brand & Issues, on behalf of the Met Office in August 2001.
- The total impact of the weather on British business was calculated by the following method.
- Companies were asked whether business performance had been affected by the weather over nine variables, from failing to meet deadlines to having surplus or insufficient stock. Those that said yes were asked to quantify the value of this effect.
- Cost to UK for that variable = (%age of companies who said they were affected by a variable) x (average amount the variable cost per business)
- Total cost = sum of all variables

For further information:

Met Office Press Office +44 (0)1392 886655

Met Office Customer Centre 0870 900 0100
If you're outside the UK +44 (0)1392 885680

[PRINTABLE VERSION](#)

[About](#)

[Met Office](#)

[Hadley Centre](#)

[Terms and conditions](#)

[Advertise on our site](#)

[News](#)

[News release archive](#)

[Media Centre](#)

[Learn](#)

[About the weather](#)

[From the bookshelf](#)

[Services](#)



[Mobile text forecasts](#)

[Weathercall](#)

[Marinecall](#)

[Mountain weather](#)

[MetWEB](#)

[Talk to a forecaster](#)

[Links](#)

[Met Office data users](#)

[National met. services](#)

[Scientific interest sites](#)

[EA Floodline](#)

[Directgov](#)

[Freedom of Information](#)

[Contact](#)

[Contact us](#)

[Questions answered](#)